

Executive Director Kim Bimestefer
Health Care Policy and Financing
1570 Grant Street
Denver, Colorado 80203

Commissioner Michael Conway
Division of Insurance
1560 Broadway, Suite 110
Denver, Colorado 80202

Re: Recommendations for HB19-1004, Study of State-Based Health Coverage Option

Dear Director Bimestefer and Commissioner Conway:

The undersigned organizations appreciate this opportunity to provide our recommendations regarding the implementation of HB19-1004, to develop a proposal for a state health coverage option.

HB19-1004 identified several goals for a state-based health coverage option, including increasing competition, improved quality and provides stable access to affordable health insurance. While we support all these goals, our key priority is to increase coverage affordability for all Coloradans. We believe increased affordability will help drive more market competition and encourage more individuals into the market which would help stabilize the market.

At the June 13th stakeholder meeting, the state sought, and continues to seek, feedback on three topics:

- Eligibility and population for whom the state option may be available
- Affordability considerations
- State health infrastructure

With this letter, we are providing you with our shared thoughts on each of these topics.

Eligibility and population for whom the state option may be available

The undersigned organizations believe that *all* Coloradans should be able to access the coverage option that is developed pursuant to HB19-1004. However, from our perspective, it is imperative that the new state coverage option be specifically geared toward individuals who are the most impacted by uninsurance and underinsurance. We believe that if we build a plan specifically designed to benefit people facing the greatest barriers, then the benefits of the new public option will extend to others as well.

As such, we encourage the state to include all Coloradans regardless of immigration status, individuals in the family glitch, and uninsured and underinsured individuals.

The Colorado Health Institute estimates that of the 112,000 Coloradans who were uninsured, roughly one in four, lacked proper documentation.¹ Twenty-two percent of U.S. born children in Colorado have one or more foreign-born parents.²

The 2017 Colorado Health Access Survey reports an historic reduction in the rate of uninsured Coloradans: 6.5 percent, or half the pre-Affordable Care Act levels. The CHAS reports that the dominant reasons for remaining uninsured are cost and eligibility. Further, 1 in 5 people report difficulty accessing care because of cost. Cost as a barrier to accessing care is the greatest barrier for people in the individual market and for those who are uninsured. Estimates show that the family glitch impacts 2-6 million people nationwide, which would translate to about 34,000-102,000 people in Colorado.

While the focus has been on the individual market, we believe continued conversations about affordable coverage for small business is also important.

Affordability considerations

With respect to determining affordability, one of the ACA's shortcomings was to determine affordability based only on the cost of insurance premiums. Coverage affordability should factor in all out of pocket spending -- deductibles, coinsurance, and co-payments -- in addition to premiums. The Self-Sufficiency Standard for Colorado³ finds that even families with less expensive employer-based coverage need to earn between 200 and 450 percent of the federal poverty level to make ends meet, depending on where they live. The generally higher premiums, deductibles and cost-sharing for individual market plans would suggest that families need to earn even higher levels of income in order to pay for health care and make ends meet.

Although the information is older, research conducted in Colorado in 2008 found the following:

- Families earning between 201% and 400% FPL have some income available to spend on health care, but cannot afford health insurance without a substantial subsidy. Only above 400% FPL can most families substantially contribute to their coverage.

When families spend more than 5% of their household income on health care, they must make substantial tradeoffs on other expenditure such as child care and housing.

¹ Emily Johnson, "Colorado's Eligible but Not Enrolled Population Continues to Decline." Colorado Health Institute. June 29, 2017. Available at:

www.coloradohealthinstitute.org/research/colorados-eligible-not-enrolled-population-continues-decline

² "Immigrant Health in Colorado: Population Demographics and Insurance Status." Center for Health Progress. February 2018. <https://centerforhealthprogress.org/blog/publications/immigrant-demographics/>

³ Diana Pearce, "The Self-Sufficiency Standard for Colorado 2018." Prepared for the Colorado Center on Law and Policy. December 2018. https://cclponline.org/wp-content/uploads/2018/12/CO18_SSS.pdf

- Affordability will vary widely depending on numerous factors including family composition, employment status, age, and cultural values. The full report can be found here:
<https://cclponline.org/wp-content/uploads/2014/01/2009-4-1-Cost-of-Care-Affordability-Report1.pdf>.

We are receptive to using a percentage of income as a starting point for an affordability standard. However, that standard must be based on family household income, not just individual income. Based on data from the report cited above, 5% of income should be the starting point for consideration of an affordability standard, but even that percentage may not be suitable for all families.

In considering a definition of affordability, the following considerations are of particular importance to the undersigned organizations:

- Predictability of costs for consumers. Current cost sharing structures make it difficult or impossible for consumers to plan and budget.
- To improve the value of coverage as well as encourage preventive services the state should consider requiring the state option to include first dollar coverage for high value primary care services.

State Health Infrastructure

We interpret state infrastructure to broadly mean the assets that the state holds that could be utilized to support greater efficiencies in purchasing, administration or enrollment. These assets include but are not limited to the Department of Health Care Policy and Financing, the state employee health plan, and Connect for Health Colorado.

We generally support offering the state option on Connect for Health Colorado because it offers a portal for eligibility, plan comparison and enrollment that could be leveraged. However, our support for using Connect for Health Colorado, including the public benefit corporation, *is conditioned on whether Connect for Health can be a vehicle for all Coloradans regardless of immigration status to access affordable coverage*. If not, then the state should consider other vehicles for eligibility and enrollment.

An existing piece of state infrastructure that should be re-examined under this state option process is the Division of Insurance's existing individual market health insurance application. The application currently requires a social security number (SSN) effectively deterring those who have the financial capacity to purchase insurance but who lack an SSN. The state should remove the SSN from the application or making it clear that the SSN is optional.

Data transparency and availability

As was noted during the first two stakeholder meetings, data and analysis will play a critical role in understanding the populations in greatest need and feasibility of certain policy options. We encourage the state to be transparent in releasing data and analysis that it has commissioned so that as stakeholders we can make the most informed contributions possible. We also ask that the state provide a timeline for the release of this information to facilitate timely and informed engagement in the process.

Thank you for this opportunity to comment. We look forward to continued engagement in the stakeholder process

Sincerely,

Colorado Consumer Health Initiative
Young Invincibles
Center for Health Progress
Colorado Cross-Disability Coalition
Chronic Care Collaborative
Tri-County Health Network
NARAL Pro-Choice Colorado
Good Business Colorado
The Consortium
AFSC Colorado
United for a New Economy
Together Colorado
Hypatia Studio LLC
Colorado Fiscal Institute
Colorado Health Network
National MS Society
One Colorado
Colorado Immigrant Rights Coalition
Women's Lobby of Colorado
Colorado Center on Law and Policy
The Bell Policy Center